

# State of South Dakota

EIGHTY-SEVENTH SESSION  
LEGISLATIVE ASSEMBLY, 2012

933T0698

## SENATE BILL NO. 182

Introduced by: Senators Adelstein, Johnston, Kraus, Nygaard, Rampelberg, and Schlekeway  
and Representatives Gosch, Kirkeby, Lust, and Sly

1 FOR AN ACT ENTITLED, An Act to revise certain provisions concerning tax incremental  
2 districts.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 11-9-13 be amended to read as follows:

5 11-9-13. The planning commission shall adopt a project plan for each tax incremental  
6 district and submit the plan to the governing body. The plan shall include a statement listing:

7 (1) The kind, number, and location of all proposed public works or improvements within  
8 the district;

9 (2) An economic feasibility study;

10 (3) A detailed list of estimated project costs;

11 (4) A fiscal impact statement which shows the impact of the tax increment district, both  
12 until and after the bonds are repaid, upon all entities levying taxes upon property in  
13 the district; and

14 (5) A description of the methods of financing all estimated project costs and the time  
15 when related costs or monetary obligations are to be incurred.



1       No expenditure for any project costs may be provided for in the plan more than five years  
2   after a district is created unless an amendment is adopted by the governing body under § 11-9-  
3   23. For the purposes of this section, the term, expenditure, means that a monetary payment has  
4   been made and does not include any obligation by contract or agreement.

5       Section 2. That § 11-9-42 be amended to read as follows:

6       11-9-42. No tax increments ~~shall~~ may be used for the construction of residential structures,  
7   except residential structures which are integral to the project. The costs for the residential  
8   structures may not exceed twenty percent of the total project costs. No tax increments may be  
9   used for construction of any residential structures unless the project is located in the downtown  
10   district of a municipality with a population of more than ten thousand.

11       Section 3. That chapter 11-9 be amended by adding thereto a NEW SECTION to read as  
12   follows:

13       No governing body may adopt a resolution pursuant to § 11-9-5 unless a statement is  
14   provided that clearly details the financial and economic documentation that the project could  
15   not proceed without the creation of the tax increment district pursuant to this chapter. Specific  
16   spreadsheets and data shall be given to the governing body indicating such items as absence of  
17   reasonable return on investment, barriers to credit by reason of costs versus returns, and specific  
18   uneconomic conditions of the proposed project.